

SIYANCUMA LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2009

SIYANCUMA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

Approval of Annual Financial Statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 28, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any), as disclosed in note 15 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr. K . Moeketsi
Acting Municipal Manager

ANNUAL FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

INDEX	Page
GENERAL INFORMATION	<u>1</u>
STATEMENT OF FINANCIAL POSITION	<u>3</u>
STATEMENT OF FINANCIAL PERFORMANCE	<u>4</u>
STATEMENT OF CHANGES IN NET ASSETS	<u>5</u>
CASH FLOW STATEMENT	<u>6</u>
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS	<u>7-15</u>
NOTES TO THE FINANCIAL STATEMENTS	<u>16-28</u>
APPENDIX A: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009	<u>29</u>
APPENDIX B: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009	<u>30</u>
APPENDIX C: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009	<u>31</u>
APPENDIX D: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009	<u>32</u>
APPENDIX E: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009	<u>33</u>

SIYANCUMA LOCAL MUNICIPALITY
Annual Financial Statements

For the Year Ended 30 June 2009

Province:

Northern Cape

AFS rounding:

R (i.e. only cents)

Contact Information:

Name of Municipal Manager:	M. Mogale(Until 30 June 2009)
Name of Acting Municipal Manager: K. Moeketsi (with effect 3 August 2009)	
Name of Chief Financial Officer:	D. Kruger (Until 30 June 2009)
Contact telephone number:	(053) 298 1810
Contact e-mail address:	bloem@siyancuma.gov.za
Name of contact at provincial treasury:	
Contact telephone number:	
Contact e-mail address:	
Name of relevant Auditor:	
Contact telephone number:	
Contact e-mail address:	

SIYANCUMA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the Year Ended 30 June 2009

General information

Members of the Council

R. Gallant	Mayor
L. Oliphant	Councillor
R. Ruele	Councillor
A. Marekwe	Councillor
A. Visagie	Councillor
F. Swartz	Councillor
K. Mgade	Councillor
J. Schreuder	Councillor
C. Olyn	Councillor
	Councillor

Municipal Manager

M. Mogale (Until 30 June 2009)
K. Moeketsi (Acting with effect 3rd August 2009)

Chief Financial Officer

D. Kruger (Until 30 June 2009).

Grading of Local Authority

Grade 2

Auditors

Auditor-General

Bankers

Standard Bank, Douglas

First National Bank, Douglas

SIYANCUMA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

General information (continued)

Physical address:

7 Charl Street
Douglas
8730

Postal address:

P.O. Box 27
Douglas
8730

Telephone number:

(053) 298 1810

Fax number:

(053) 298 4518

E-mail address:

SIYANCUMA LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION
At 30 June 2009

1

	Note	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net assets		12 908 365	(8 816 233)
Capital replacement reserve			
Capitalisation reserve			
Government grant reserve		19 557 863	
Donations and public contribution reserves		-	
Self-insurance reserve		-	
Accumulated Surplus/(Deficit)		(6 649 498)	(8 816 233)
Non-current liabilities		566 283	785 880
Long-term liabilities	1	566 283	785 880
Current liabilities		9 103 559	15 234 877
Consumer deposits	2	166 370	158 132
Employee Benefits	29	2 115 341	1 112 174
Creditors	3	5 170 268	4 151 816
Unspent conditional grants and receipts	4	1 413 932	9 678 520
Current portion of long-term liabilities	1	237 648	134 234
Total Net Assets and Liabilities		22 578 207	7 204 524
ASSETS			
Non-current assets		20 544 238	920 114
Property, plant and equipment	5	20 544 238	920 114
Long-term receivables		-	-
Current assets		2 033 969	6 284 409
Inventory		-	-
Consumer debtors	7	2 016 863	1 691 744
Other debtors	8	2 518 610	2 269 140
Cash and cash equivalents	9	28 236	2 298 698
Call investment deposits	6	27 379	24 827
Bank Overdraft	9	(2 557 119)	-
Total Assets		22 578 207	7 204 523

SIYANCUMA LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
For The Year Ended 30 June 2009

	Note	2009 R	2 008 R
REVENUE			
Property rates	10	4 118 567	3 734 807
Service charges	11	27 196 124	22 345 281
Rental of facilities and equipment		-	-
Interest earned - external investments		161 667	152 011
Interest earned - outstanding debtors		231 716	201 090
Fines		-	-
Government grants and subsidies		15 738 431	12 434 655
Other income		1 652 949	1 081 820
Total Revenue		49 099 454	39 949 663
EXPENDITURE			
Employee related costs	12	19 469 735	18 423 226
Remuneration of Councillors	13	2 064 268	1 300 691
Bad debts	7	4 034 938	-
Depreciation		-	-
Repairs and maintenance		1 204 316	941 949
Interest paid	14	1 947 041	2 342 173
Bulk purchases	15	9 556 609	7 975 018
Contracted services		-	-
General expenses		11 627 588	11 244 745
Professional fees		-	-
Total Expenditure		49 904 495	42 227 802
SURPLUS/(DEFICIT) FOR THE YEAR	25	(805 041)	(2 278 139)
Refer to Appendix E(1) for the comparison with the approved budget			

SIYANCUMA LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
For The Year Ended 30 June 2009

		<u>Capital Replacement Reserve</u>	<u>Capitalisation Reserve</u>	<u>Government Grant Reserve</u>			<u>Accumulated Surplus/ (Deficit)</u>	<u>Total</u>
		R	R	R			R	R
2008								
Balance at 1 July 2008		-	-	-			(16 920 544)	(16 920 544)
Operating expenditure charged against the funds							(67 591)	(67 591)
Implementation of GAMAP (Note 16)		-	-	-			10 961 415	10 961 415
Change in accounting policy (Note 16)		-	-	-			182 263	182 263
Restated balance		-	-	-			(5 844 457)	(5 844 457)
PPE purchased			-	19 838 171			-	-
Capital grants used to purchase PPE			-				-	-
Offsetting of depreciation		-						-
Balance at 30 June 2008		-	-	19 838 171			(5 844 457)	(5 844 457)
2009								
Surplus/(deficit) for the year		-	-	-			(805 041)	(805 041)
Offsetting of depreciation		-		(280 308)				(280 308.00)
Balance at 30 June 2009		-	-	19 557 863			(6 649 498)	(6 929 806)

SIYANCUMA LOCAL MUNICIPALITY
CASH FLOW STATEMENT
For The Year Ended 30 June 2009

4

	Note	2 009 R
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from ratepayers, government and other		178 708 593
Cash paid to suppliers and employees		(156 426 964)
Cash generated from/ (utilised in) operations	17	<u>4 783 555</u>
Interest received		393 383
Interest paid		(1 947 041)
NET CASH FROM OPERATING ACTIVITIES		<u><u>3 229 897</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(19 906 481)
Movement in unutilised conditional grants		(8 264 588)
Grants utilised for acquisition of assets		-
(Increase)/decrease in cash and cash equivalents		2 270 462
Decrease in call investments		(2 552)
NET CASH FROM INVESTING ACTIVITIES		<u><u>(25 903 159)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans repaid during the year		-
Increase in consumer deposits		8 238
NET CASH FROM FINANCING ACTIVITIES		<u><u>8 238</u></u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u><u>(22 665 025)</u></u>
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents at the end of the year	20	<u><u>(2 557 119)</u></u>

SIYANCUMA LOCAL MUNICIPALITY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
For the Year Ended 30 June 2009

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5 RESERVES

1.5.1 RESERVE

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the unappropriated surplus to the CRR in terms of a council resolution. There was no council resolution to effect such a transfer during the year.

CAPITALIZATION

1.5.2 RESERVE

On the implementation of GRAP, the balance of certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment, were transferred to a Capitalisation Reserve in terms of a directive (circular No.18) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation charge that will be incurred over the useful lives of these items of property, plant and equipment is offset by transfers from this reserve to the accumulated surplus/deficit.

GOVERNMENT GRANT

1.5.3 RESERVE

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transferred is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of Government Grants funded items of property, plant and equipment offset by transfers from this reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment are financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Major items of property, plant and equipment which includes infrastructure assets and properties have not been measured. Such measurement and valuation of infrastructure assets shall be undertaken during the current year and this is after taking advantage of the provisions on transitional arrangements as covered in Directive 4 issued by the ASB.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.2 SUBSEQUENT MEASUREMENT - REVALUATION MODEL (LAND AND BUILDINGS)

Subsequent to initial recognition, land and buildings are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

2.3 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.4 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure	Years	Other	Years
Roads,Pavements and			
Storm Water	30	Buildings	30
Reservoirs-Water	30	Specialist vehicles	10
Water Meters	20	Other vehicles	5
Water mains	15-100	Office equipment	3 to 7
Electricity mains	40-85	Furniture and fittings	7 to 10
Sewerage purification and reticulation	20	Watercraft	15
		Bins and containers	5
		Specialised plant and equipment	10 to 15
		Other items of plant and equipment	2 to 5
Community		Landfill sites	15
Buildings	30	Work in progress	No depreciation
Recreational Facilities	20-30	Land	No depreciation
Security	5	Computer equipments	3
Halls	30		
Libraries	30		
Parks and gardens	20 to 30		
Other assets	3 to 20		
Heritage Assets			
Buildings	No depreciation		
Paintings and artifacts	No depreciation		

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

2.5 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software	33.30%
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The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 INVESTMENT PROPERTY

4.1 INITIAL RECOGNITION

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

4.2 SUBSEQUENT MEASUREMENT - COST MODEL

Investment property is measured using the cost model. Under the cost model, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

5 NON-CURRENT ASSETS HELD FOR SALE

5.1 INITIAL RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

SUBSEQUENT

5.2 MEASUREMENT

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

6 INVENTORIES

6.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

6.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

7 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

8 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

9 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

10 PROVISIONS

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

CONTINGENT LIABILITIES AND ASSETS

11

The municipality does not recognise a contingent liability or contingent asset in its Statement of Financial Position and these are disclosed by way of a note. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

12 LEASES

MUNICIPALITY AS

12.1 LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

MUNICIPALITY AS

12.2 LESSOR

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

13 REVENUE

13.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

13.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

13.3 GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

14 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

	2009	2008
	R	R
1. LONG-TERM LIABILITIES		
Long-term loans	803 931	920 114
Less : Current portion transferred to current liabilities	(237 648)	(134 234)
Total External Loans	<u>566 283</u>	<u>785 880</u>
Refer to Appendix A for more detail on long-term liabilities		
2. CONSUMER DEPOSITS		
Electricity	166 370	158 132
Total Consumer Deposits	<u>166 370</u>	<u>158 132</u>
Guarantees held in lieu of Electricity and Water Deposits	<u>-</u>	<u>-</u>
3. CREDITORS		
Sundry creditors	2 211 645	1 719 399
Payments received in advance	331	76 668
Audit fees		-
Salary Control	1 000	-
Momentum Salaries	1 839	-
Unclaimed deposit		-
Retention monies		-
VAT	2 955 453	2 355 750
Total Creditors	<u>5 170 268</u>	<u>4 151 816</u>
4. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Library Project	544 608	245 095
Brickmaking Project	2 717	2 717
Housing Schmidtsdrift	-656 820	(174 921)
Douglas/Bongani Parks	11 127	1 233 165
WSA Capacity Building Programme	27 746	(5 063)
FMG	225 130	443 068
Droughth Relief	11 598	116 645
MSIG	88 682	696 463
MIG	2 730 705	6 948 243
Schmidtsdrift Electrification	-156 234	96 638
Impumelelo Awards HIV/AIDS	21 092	26 092
Learnership De Aar	-36 000	-
Siyancuma Town Planning	-1 303 429	-
LG Seta	121 625	-
Sports Development	12 079	50 377
Access Road Mathlomola	-230 694	-
Total Conditional Grants and Receipts	<u>1 413 932</u>	<u>9 678 520</u>

government.

These amounts are invested in a ring-fenced investment until utilized.

NOTE: 5

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

30 June 2009

Reconciliation of Carrying Value

	<u>Land</u>	<u>Infrastructure</u>	<u>Community</u>	<u>Other</u>	<u>Total</u>
	R	R	R	R	R
Carrying values at 1 July 2008	791 913	-	-	128 201	920 114
<i>Cost</i>	791 913	77 878 668	5 570 189	18 215 256	102 456 026
<i>Accumulated depreciation</i>	-	(77 878 668)	(5 570 189)	(18 087 055)	(101 535 912)
Acquisitions	-	18 173 752	375 829	1 356 900	19 906 481
Depreciation	-	(224 225)	(17 425)	(40 707)	(282 357)
Disposals					
- At cost					
- Accumulated depreciation					
Carrying values at 30 June 2009	791 913	17 949 527	358 404	1 444 394	20 544 238
<i>Cost</i>	791 913	96 052 420	5 946 018	19 572 156	122 362 507
<i>Accumulated depreciation</i>	-	(78 102 893)	(5 587 614)	(18 127 762)	(101 818 269)

30 June 2008

Reconciliation of Carrying Value	<u>Land</u>	<u>Infrastructure</u>	<u>Community</u>	<u>Other</u>	<u>Total</u>
	R	R	R	R	R
Carrying values at 30 June 2008	791 913	-	-	128 201	920 114
<i>Cost</i>	791 913	77 878 668	5 570 189	18 215 256	102 456 026
<i>Accumulated depreciation</i>	-	(77 878 668)	(5 570 189)	(18 087 055)	(101 535 912)
Note: Infrastructure assets and other items of Property, Plant and Equipment. A programme is in place to unbundle all the items of Property, Plant and Equipment within the period 1 October 2009 and 31 March 2010. This will include the valuation and measurement of all items of property, plant and equipment excluding movable assets which were physically verified during the year.					

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

		2009 R	2008 R
6	INVESTMENTS		
	FNB Fixed Deposit	27 379	24 827

		<u>27 379</u>	<u>24 827</u>
--	--	---------------	---------------

7 **CONSUMER DEBTORS**

	Gross Balances	Provision for Bad Debts	Net Balances
30 June 2009			
Service debtors			
Rates	2 848 344		2 848 344
Refuse	3 785 422		3 785 422
Electricity	2 300 536		2 300 536
Water	10 726 506		10 726 506
Sewerage	4 970 759		4 970 759
Region other			0
Amounts received in advance			0
Total	<u>24 631 567</u>	<u>(22 614 704)</u>	<u>2 016 863</u>

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

		2009 R	2008 R
--	--	-----------	-----------

30 June 2008

Service debtors

Rates	2 409 037
Refuse	3 406 576
Electricity	1 748 824
Water	7 902 324
Sewerage	4 275 546

Region other -
Amounts received in advance -

Total 19 742 307

	2 409 037
	3 406 576
	1 748 824
	7 902 324
	4 275 546
	-
	-
	<u><u>1 691 744</u></u>

Rates: Ageing

Current (0 – 30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121 - 365 Days

+ 365 Days

Total

2009 2008

25 828

67 267

62 267

59 314

57 193

2 376 453

2 648 322

(Electricity, Water and Sewerage): Ageing

Current (0 – 30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121 - 365 Days

+ 365 Days

Total

813 654

614 310

475 607

489 811

513 885

19 118 048

22 025 315

Summary of Debtors by Customer Classification

Consumers

**Industrial/
Commercial**

**National and
Provincial
Government**

30-Jun-09

R

R

R

Current (0 – 30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121 - 365 Days

+ 365 Days

Plus: Amounts received in advance

Sub-total

Less: Provision for bad debts

Total debtors by customer classification

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

30 June 2008

R

R

R

Current

31 - 60 Days

61 - 90 Days

91 - 120 Days

121 - 365 Days

+ 365 Days

Plus: Amounts received in advance

Sub-total

Less: Provision for bad debts

Total debtors by customer classification

-

-

-

-

-

-

-

-

-

-

-

-

-

-

-

2009

R

2008

R

Reconciliation of the bad debt provision

Balance at beginning of the year

Contributions to provision

Note 25

18 581 395

4 034 938

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

	2009 R	2008 R
Bad debts written off against provision	(946)	-
Balance at end of year	<u><u>22 615 387</u></u>	<u><u>-</u></u>

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

	2009 R	2008 R
8 OTHER DEBTORS		
Attorneys Balances	802 463	813 642
Rent Bongani	397 887	406 890
Sundry Accounts	800 652	763 907
Medical Aid Contributions	11 291	10 471
Insurance and other receivables	0	(17 680)
Other	6 374	13 512
VAT	496 266	278 396.99
Momentum Salary	3 677	-
Total Other Debtors	2 518 610	2 269 140

9 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts: -

	2009 R	2008 R
--	-----------	-----------

Current Account (Primary Bank Account)

Std Bank Account number: 041667336000

Cash book balance at beginning of year	(2 055 526)	-
Cash book balance at end of year	(2 560 868)	(2 055 526)
Bank statement balance at beginning of year	(538 456)	
Bank statement balance at end of year	207 129	(538 456)

Current Account (Other Bank Account)

First National Bank Account Number:52090016612

Cash book balance at beginning of year	4 109 140	
Cash book balance at end of year	3 049	4 109 140
Bank statement balance at beginning of year	4 178 628	
Bank statement balance at end of year	(4 888)	4 178 628
Cash on hand	700	700
Bank Overdraft	(2 557 119)	2 054 314

Fixed Deposit	13 615	12 975
Schmidsdrift Brickmaking	2 130	2 494
Investment Standard Bank	1 312	124 493
Investment FNB	2 060	1 723
Standard Working Capital	9 119	102 698
	28 236	244 385
Cash and Cash Equivalents	28 236	2 298 699

10

PROPERTY RATES

Actual

Residential		
Commercial		
State		
Municipal		
Agricultural		
Total Assessment Rates	4 118 567	3 734 807

Residential
Commercial
State
Municipal

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

	2009 R	2008 R
Agricultural		
Other	-	
Total Property Valuation - Rands		

Information on the Valuation Roll and also the rate in the Rand charged for rates is not available.

	2009 R	2008 R
11 SERVICE CHARGES		
	15 089 476	11 961 794
Sale of electricity	6 087 957	4 928 080
Sale of water	2 710 766	2 435 705
Refuse removal	3 307 925	3 019 702
Sewerage and sanitation charges	27 196 124	22 345 281
Total Service Charges		

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

	2009	2008
	R	R
	2009	2008
	R	R

12

EMPLOYEE RELATED COSTS

	19 469 735	18 423 226
Employee related costs - Salaries and Wages		
UIF, pensions and medical aids		
Group insurance		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Leave bonus, redemption and provision		
Bargaining Council levies		

Workmens' Compensation and skills levies

	19 469 735	18 423 226
--	-------------------	-------------------

Total Employee Related Costs

There were no advances to employees.

Remuneration of the Municipal Manager

Annual Remuneration	297 306	
Subsistence Allowances	24 000	
Travelling Allowance	166 776	
Contributions to UIF, Medical and Pension Funds	90 513	
Bonus	24 776	
Housing	17 379	-
Total	620 750	-

Remuneration of the Chief Financial Officer

Annual Remuneration	145 932	
Housing	20 087	
Travelling Allowance	287 778	
Bonus	12 161	
Contributions to UIF, Medical and Pension Funds	71 712	
Total	537 670	-

Remuneration of Individual Executive Directors

	<u>Administration</u>	<u>Infrastructure Services</u>	<u>Local Economic Development</u>
	R	R	R
30-Jun-09			
Annual Remuneration	263 700	178 677	134 448
Housing	18 000	79 200	15 600
Travelling Allowance	166 511	100 348	72 000
Contributions to UIF, Medical and Pension Funds	91 108	55 941	46 874
Bonuses	21 975	12 297	11 204
Total	561 294	426 463	280 126

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

	2009	2008
	R	R
	2009	2008
	R	R
13		
REMUNERATION OF COUNCILLORS		
Executive Mayor: Allowance	352 006	338 110
Pension and Medical	21 911	438 908
Cellphone Allowance	28 845	26 999
Travelling	116 468	27 090
Councillors: Allowances	1 110 981	830 376
Pension and Medical	17 723	99 289
Cellphone Allowance	83 155	67 328
Travelling	333 179	28 472
Councillors' pension contribution	2 064 268	1 856 572
Total Councillors' Remuneration		
<i>In-kind Benefits</i>		
The Mayor is full-time. He is provided with an office and secretarial support at the cost of the Council.		
14		
INTEREST PAID		
Total Interest on External Borrowings	1 947 042	2 342 173
15		
BULK PURCHASES		
Electricity	9 181 283	7 683 263
Water	375 327	291 755.00
Total Bulk Purchases	9 556 610	7 975 018
	2009	2008
	R	R

16
CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GRAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP: -

Statutory Funds

Balance previously reported: - **-10 961 415**

Implementation of GAMAP

Transferred to the Capital Replacement Reserve -

Transferred to the Capitalisation Reserve -

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

	2009 R	2008 R
Transferred to the Government Grant reserve		-
Transferred to the Public contribution reserve		
Transferred to Accumulated Surplus/(Deficit)		10 961 415
Total		-
<i>Loans Redeemed and Other Capital Receipts</i>		
Balance previously reported		
Implementation of GRAP		(101 535 911)
Transferred to Accumulated depreciation: Infrastructure		77 878 668
Transferred to Accumulated depreciation: Community assets		5 570 189
Transferred to Accumulated depreciation: Other assets		18 087 055
Transferred to Accumulated Surplus		-

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

	2009 R	2008 R
Total		1
Property, plant and equipment		
Balance previously reported		
Implementation of GRAP		(102 456 026)
Transferred to infrastructure		77 878 668
Transferred to community assets		5 570 189
Transferred to other assets		18 215 256
Transferred to land		791 913
Transferred to accumulated surplus		
Total		-
17 CASH GENERATED BY OPERATIONS		
	(805 041)	
Surplus for the year		
Adjustment for:-	-	
Depreciation	4 034 938	
Contribution to bad debt provision	(393 383)	
Investment income	1 947 041	
Interest paid	<u>4 783 555</u>	
Operating surplus before working capital changes:	-	
Decrease in inventories		
(Increase)/decrease in debtors		
(Increase)/decrease in other debtors		
Increase in creditors	<u>4 783 555</u>	
Cash generated by/(utilised in) operations		
18 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :		
	<u>(2 557 119)</u>	<u>2 054 314</u>
Bank balances and cash		
OPERATING LEASE COMMITMENTS		
The Municipality's future minimum commitments on (specify) is as follows: -		
Due within one year		
Due between one and five years	<u>-</u>	<u>-</u>

	2009 R	2008 R
--	-----------	-----------

19

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to organized local government

Opening balance	-	-
Council subscriptions	74 836	16 595
Amount paid - current year	-	-
Amount paid - previous years	<u>74 836</u>	<u>-</u>
Balance unpaid (included in creditors)		

Audit fees

Opening balance		-
Current year audit fee		214 091
Amount paid - current year	-	-
Amount paid - previous years	<u>-</u>	<u>214 091</u>
Balance unpaid (included in creditors)		

VAT

VAT inputs receivables and VAT outputs receivables are shown in note 8. All VAT returns have been submitted by the due date throughout the year.

PAYE and UIF

Opening balance		
Current year payroll deductions		
Amount paid - current year		
Amount paid - previous years	<u>-</u>	<u>-</u>
Balance unpaid (included in creditors)		

The balance represents PAYE and UIF deducted from the June 2009 payroll. These amounts were paid during July 2009.

Pension and Medical Aid Deductions

Opening balance		
Current year payroll deductions and Council Contributions		
Amount paid - current year		
Amount paid - previous years	<u>-</u>	<u>-</u>
Balance unpaid (included in creditors)		

The balance represents pension and medical aid contributions deducted from employees in the June 2009 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during July 2009.

2009
R

2008
R

20

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

2009
R

2008
R

Councillor's arrear consumer accounts

There were amounts due from councillors to the municipality for services.

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

	2009 R	2008 R
21 RETIREMENT BENEFIT INFORMATION		
Personnel of the Council are members of the following pension funds		
a Imatu Pension Fund		
b Cape Joint Fund		
c SALA Pension Fund		
e SAMWU Provident Fund		
The officials are members of SALA, Cape Joint Pension and Retirement Fund, Imatu and SAMWU.		
Councillors are members of the Cape Joint Pension and Retirement Fund.		
The actual valuation can be provided on request.		
22 COMPARISON WITH THE BUDGET		
The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1).		
24 Government grants and subsidies		
Equitable Share	15 738 431	
Municipal Infrastructure Grant	600 000	
Municipal Institutional Systems Grant	735 000	
Municipal Finance Management Grant	500 000	
Total Government Grants and Subsidies	<u>17 573 431</u>	<u>-</u>
24.1 Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
	-	-
Not any funds have been delayed or withheld		
24.2 Municipal Infrastructure Grant		
Balance unspent at beginning of year	6 948 243	
Current year receipts	600 000	
Conditions met-transferred to revenue	<u>(4 817 538)</u>	
Conditions still to be met - remain in liabilities (See Note 4)	<u>2 730 705</u>	<u>6 948 243</u>
Not any funds have been delayed or withheld		
24.3 Municipal Systems Improvements Grant		
Balance unspent at beginning of year	696 463	
Current year receipts	735 000	
Conditions met-transferred to revenue	<u>(1 342 781)</u>	
Conditions still to be met - remain in liabilities (See Note 4)	<u>88 682</u>	<u>696 463</u>
24.4 Financial Management Grant		
Balance unspent at beginning of year	443 068	
Current year receipts	500 000	
Conditions met-transferred to revenue	<u>(717 938)</u>	
Conditions still to be met - remain in liabilities (See Note 4)	<u>225 130</u>	<u>443 068</u>

SIYANCUMA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2009

		2009 R	2008 R
25	Unauthorised Expenditure		
	Previous Years		5 090 919
	Budget Exceeded-Operating expenditure		
26	Irregular Expenditure		
	Previous Years		8 891 125
	Current Year:		
26.1	Uluntu Project		
	The Valuation Roll not properly compiled and cannot be implemented:	399 742	
26.2	Campbell Toilet Group		
	No tender and no contract and terms of reference	204 800	
26.3	Herman Van Heerden Prokureurs	71 394	
	No tender and no contract and terms of reference		
26.5	MicroMega		
	No tender and no contract and terms of reference	86 907	
27	Fruitless Expenditure		
	Opening Balance	55 440	0
	Current Year-Lease of clock machine	55 440	55 440
	Closing balance	<u>110 880</u>	55 440
	For unauthorised, fruitless, and wasteful		
28	Contingent Liabilities		
	Claims against Council	<u>250 000</u>	
	The Municipality is currently in litigation which could result in damages /costs being awarded against Council if claimants are successful in their actions: The following are the estimates:		
	Sub-contractor was not paid by the Contractor and Sub-contractor is claiming from the Municipality	<u>250 000</u>	
29	Employee Benefits		
	Provision Liability	<u>2 115 341</u>	<u>1 112 174</u>

SIYANCUMA LOCAL MUNICIPALITY
APPENDIX A: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 2008/06/30	Received during the period	Redeemed written off during the period	Balance at 2009/06/30
LONG-TERM LOANS			R	R	R	R
	11623		160 594	-	29 838	130 756
	11624		29 435	0	7 407	22 028
			0	0	0	0
	11626		507 639	0	47 015	460 624
	11627		222 446	0	31 923	190 523
Total long-term loans			920 114	0	116 183	803 931
LESS: Current portion of liabilities			-134 234			-237 648
Total DBSALoans			785 880	0	0	566 283
			-	-	-	-
TOTAL EXTERNAL LOANS			785 880			566 283

SIYANCUMA LOCAL MUNICIPALITY
APPENDIX B: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

24

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Land and Buildings										
Land	791 913				791 913	-	-	-	-	791 913
	791 913	-	-	-	791 913	-	-	-	-	791 913
Infrastructure										
Infrastructure	77 878 668	18 173 752			96 052 420	77 878 668	224 225		78 102 893	17 949 527
	77 878 668	18 173 752	-	-	96 052 420	77 878 668	224 225	-	78 102 893	17 949 527
Community Assets										
Parks & Gardens	3 392 878	255 221	-	-	3 648 099	3 392 878	12 761	-	3 405 639	242 460
Libraries	1 305 125	68 310	-	-	1 373 435	1 305 125	2 049	-	1 307 174	66 261
Health	165 000				165 000	165 000			165 000	-
Halls and Cemetry	700 506	52 298			752 804	700 505	2 614		703 119	49 685
Recreation Grounds	6 681	-	-	-	6 681	6 681	-	-	6 681	-
Civic Buildings	8 463 609	1 356 900	-	-	9 820 509	8 463 609	40 707	-	8 504 316	1 316 193
	14 033 799	1 732 729	-	-	15 766 528	14 033 798	58 131	-	14 091 929	1 674 599
Heritage Assets										
Historical Buildings	-	-	-	-	-	-	-	-	-	-
Painting & Art Galleries	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total carried forward	92 704 380	19 906 481	-	-	112 610 861	91 912 466	282 356	-	92 194 822	20 416 039

APPENDIX B
SIYANCUMA LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Total brought forward	92 704 380	19 906 481	-	-	112 610 861	91 912 466	282 356	-	92 194 822	20 416 039
Other Assets										
Landfill sites	-	-	-	-	-	-	-	-	-	-
Office Equipment	2 277 906	-	-	-	2 277 906	2 277 906	-	-	2 277 906	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-
Emergency Equipment	-	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-	-
Fire engines	-	-	-	-	-	-	-	-	-	-
Refuse tankers	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Councillors Regalia	-	-	-	-	-	-	-	-	-	-
Conservancy tankers	-	-	-	-	-	-	-	-	-	-
Watercraft	-	-	-	-	-	-	-	-	-	-
Holiday Resort	7 473 740	-	-	-	7 473 740	7 345 539	-	-	7 345 539	128 201
	9 751 646				9 751 646	9 623 445	0		9 623 445	
Total	102 456 026	19 906 481	-	-	122 362 507	101 535 911	282 356	-	101 818 267	20 544 240

ANNEXURE C

SIYANCUMA LOCAL MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT

30-Jun-09

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council	-				-	-	-		-	-
Finance & Admin	-	-			-	-	-		-	-
Planning & Development	-	-			-	-	-		-	-
Health	-	-			-	-	-		-	-
Community & Social Services	-	-	-	-	-	-	-		-	-
Housing	-	-			-	-	-		-	-
Public Safety	-	-			-	-	-		-	-
Sport & Recreation	-	-			-	-	-		-	-
Environmental Protection	-	-			-	-	-		-	-
Waste Management	-	-		-	-	-	-	-	-	-
Road Transport	-	-		-	-	-	-	-	-	-
Water	-	-			-	-	-	-	-	-
Electricity	-	-			-	-	-	-	-	-
Other	-	-			-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-

Annexure C was not prepared as this is part of the exemption in terms of government gazette 30013.

SIYANCUMA LOCAL MUNICIPALITY

APPENDIX D: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
16 557 676	14 883 149	1 674 527	Executive & Council	20 353 309	19 377 618	975 691
198 391	4 677 799	-4 479 408	Finance & Admin	444 889	5 968 777	-5 523 888
-	-	-	Planning & Development	0	0	0
-	84 638	-84 638	Health	8 362	112 008	-103 646
0	-	-	Social Development	0	0	0
-	-	-	Housing	0	0	0
459 051	154 463	304 588	Public Safety	655 397	225 019	430 378
-	-	-	Sport & Recreation	0	856 898	-856 898
1 000	3 157 207	-3 156 207	Public Works	0	3 523 448	-3 523 448
2 435 705	1 807 723	627 982	Waste Management	2 710 766	2 082 970	627 796
-	-	-	Road & Stormwater	0	0	0
3 019 703	2 487 531	532 172	Sewerage	3 307 924	2 772 647	535 277
4 928 079	1 521 219	3 406 860	Water	6 087 957	2 171 134	3 916 823
11 963 555	10 061 222	1 902 333	Electricity	15 089 476	11 368 924	3 720 552
386 095	3 392 847	-3 006 752	Other	441 375	2 756 895	-2 315 520
39 949 255	42 227 798	-2 278 543	Sub Total	49 099 455	51 216 338	-2 116 883
39 949 255	42 227 798	-2 278 543	Total	49 099 455	51 216 338	-2 116 883
		-2 278 543				-2 116 883